REMARKS

Reconsideration and allowance are requested. Claims 29, 30, 34, 35 and 39 - 44 are pending in the application. All pending claims are rejected and no claims are amended.

Rejection of Claim 29 under Section 102(e)

In the Advisory Action dated 05/24/2004, the Examiner noted that Applicants' arguments about "priority" were sufficiently addressed in the Examiner's previous actions. Applicants file this RCE for the purpose of obtaining a full consideration of the arguments set forth in the previous Response. These arguments presented new reasons why the Examiner should not utilize the interpretation of the term "priority" from the N1277 reference to explain (change) the definition used in Suzuki et al. Applicants urge the Examiner to review previous arguments including the May 3, 2004 Remarks. Only a summary is presented below.

First, the Examiner rejects claim 29 under Section 102(e) as being unpatentable over Suzuki et al. asserting that column 30, lines 62 - 63 and Column 31, lines 42 - 46 disclose a scalability flag that equates to assigning a priority to the VOL. Applicants traversed this rejection and explained that N1277 proposed an MPEG-4 Verification Model that used a different approach to scalability. The very purpose of Suzuki et al.'s invention was to introduce a size/time scalability that was specifically different from the previously proposed scalability in N1277. The Examiner's reference to N1277 to define the meaning of scalability reverses the express definition by Suzuki et al.

Suzuki et al. mentions N1277 at column 7, lines 1 - 5 but then go on to explain that their scalability invention is different from what was currently being considered as set forth in ISO/IED/JTC1/SC29/WG11. Suzuki et al. state:

...an operation for standardizing a VO based encoding system is underway in ISO-IEC/JTC1/SC29/WG11 as MPEG 4. However, at present, a method for efficiently encoding a VO or encoding key signals has not yet been established and is in a pending state. In any event, although MPEG 4 prescribes the function of scalability, **there has not been proposed a specified technique for realization of scalability for a VO in which the position and size thereof change with time.** Col. 7, lines 3 - 11 (emphasis added).

Applicants submit that the purpose of Suzuki et al. is clearly to set forth a scalability factor that relates to the size of the pictures in the upper layer (i.e., larger pictures), relative to the pictures in the lower layer (smaller pictures). According to Suzuki et al, the size/time scalability "has not yet been proposed" to the standard bodies or in N1277. Column 30, lines 42 - 46 and FIG. 35 make clear that the Suzuki et al. approach differs from N1277. The one-bit flag scalability (A3 in FIG. 35) simply specifies which of the lower and upper layers is the VOL. As shown in the code of FIG. 35, if the size/time scalability flag is set so that the remainder of the subroutine executes, the function of the subroutine relates exclusively to the size and position of objects in the upper and lower layers, and not a priority of the upper layer over the lower layer.

MPEP 2131.01 states that it is appropriate to use a second reference to explain the meaning of a term in the primary reference. However, Part II of MPEP 2131.01 limits the use of extrinsic evidence to explain but not expand the meaning of terms and phrases. Suzuki et al. set forth in a lengthy disclosure their size/time scalability approach. Rather than rely on the meaning of the size/time scalability as taught by Suzuki et al., the Examiner incorporates the definition of "scalability" found in N1277 to modify Suzuki et al.'s scalability definition to one they expressly intended to avoid. This alteration of Suzuki et al.'s disclosure with extrinsic evidence far exceeds the approved approach set forth in the MPEP.

Applicants respectfully submit that the size/time one-bit scalability flag taught by Suzuki et al. relates to whether the VOL is in an upper or a lower layer, which defines simply the size of

an object. The size/time scalability in Suzuki et al. relates to scaling objects that change in size relative to time in the upper and lower layers. In this regard, the upper and lower layer object information is not prioritized since there is no priority assigned to a larger or a smaller object. The objects are simply processed differently.

Applicants provide a new explanation here to respond to the Examiner's statement on page 3 of the Final Office Action regarding the "indirect" reference of MPEG4VM at column 30, lines 62 - 63. At column 30, lines 62 - 63, Suzuki et al. state: "Syntax in scalability will now be explained in conjunction with a MPEG4VM verification method." The Examiner asserts that this refers indirectly to the N1277 verification model. However, Applicants explain that Suzuki et al. are in essence stating here that "we are going to present our scalability syntax next as an MPEG4VM verification method." A verification model is a common platform with precise definitions of encoding and decoding algorithms. The N1277 document is version 3.0 of the MPEG4 Verification Model. There were many other versions (1.0 to 4.0) as the committee worked out the details of the standard. Appendix A to this RCE includes a paper published in 1997 explaining the MPEG-4 Video Verification Model. This paper explains the evolution of the verification model for MPEG-4 and the fact that the process involves constantly adding and removing tools and algorithms to the verification model.

Applicants submit that Suzuki et al. was proposing and stating in column 30, lines 52 - 63 the same thing that others who proposed additional tools and algorithms for MPEG-4. Namely, they introduced their size/time scalability approach and then presented their scalability syntax as an MPEG-4 Verification Model hoping that it would be incorporated into the accepted MPEG-4 Verification Model. Given the express statement of Suzuki et al. that their approach differs from the N1277 scalability syntax, the reference to MPEG4VM in column 30 should not be

interpreted as reversing that statement and incorporating N1277. Rather, the reference to "a" MPEG4 Verification Model should be interpreted as Suzuki et al.'s statement that they will provide their size/time scalability as an MPEG4 Verification Model. Continuing from column 30 forward in the patent, Suzuki et al. do just that, they present figures and a description of their scalability algorithm as an MPEG-4 Verification Model.

Based on the foregoing, Applicants respectfully submit that N1277 should not be used to redefine Suzuki et al.'s size/time scalability and therefore claim 29 is patentable and in condition for allowance.

Rejection of Claims 29 - 30 Under Section 103

The Examiner rejects claims 29 - 30 under section 103 in view of Suzuki et al. and N1993. Applicants traverse this rejection and submit that for the reasons set forth above, the rejection of claim 29 in view of Suzuki et al. and N1277 should be withdrawn. Claim 30 depends from claim 29 and recites further limitations therefrom. Accordingly, since claim 29 is patentable, Applicants submit that claim 30 is patentable as well. Applicants urge that the earlier arguments as well as those arguments set forth above apply here and support the patentability of these claims.

Rejection of Claims 34, 39 - 41 and 43 - 44 Under Section 103

The Examiner rejected claims 34, 39 - 41 and 43 - 44 under Section 103 in view of Suzuki et al. and Chang et al. These claims include the limitation discussed above regarding assigning priorities to the VOLs. Again, the Examiner inappropriately incorporates the N1277 definition for scalability into Suzuki et al. Therefore, Applicants apply their arguments set forth above and submit that the primary reference of Suzuki et al. does not disclose or suggest

assigning a priority to VOLs. Therefore, the combination of Suzuki et al. and Chang et al. fail to teach each limitation of these claims. Applicants respectfully submit that claims 34, 39 - 41 and 43 - 44 are patentable over the prior art of record.

Rejection of Claims 34 - 35 and 39 - 44 Under Section 103

The Examiner rejected claims 34 - 35 and 39 - 44 under Section 103 as being unpatentable over Suzuki et al. in view of ISO/IEC N1993 and Chang et al. Applicants traverse this rejection. Claim 34 includes the step of assigning a priority to each VOL. As set forth above, Suzuki et al. only discloses a size/time scalability which does not assign a priority to the VOLs.

Another purpose for this RCE is to obtain the Examiner's full consideration of Applicants arguments regarding the lack of motivation to combine Suzuki et al. with ISO/IEC N1993. Applicants incorporate their earlier arguments regarding the Examiner's burden to establish a *prima facie* case of obviousness and the three criteria that must be met. Without repeating the entire analysis here, Applicants submit that N1993 mirrors the approach of N1277 with regards to temporal and spatial scalability. As explained above, Suzuki et al. distanced themselves from the N1277 approach and introduced their own size/time scalability for the standard. Blending N1993 with Suzuki et al. would require such a fundamental alteration of the basic principle operation of size/time scalability as taught by Suzuki et al. that no such motivation to combine could exist. Furthermore, blending the scalability approach of N1993 would be expressly counter to the stated intention of Suzuki et al. to suggest a size/time scalability approach. Therefore, there is no motivation to combine Suzuki et al. with N1993. Applicants respectfully submit that claims 34 - 35 and 39 - 44 are patentable and in condition for allowance.

CONCLUSION

Applicants respectfully request full consideration of the above Remarks and arguments in the previous Response. Applicants respectfully submit that the subject application is in condition for allowance. A Notice to that effect is earnestly solicited.

Respectfully submitted,

Date: _July 2, 2004_   By: _[signature]_

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